

Presque Isle Utilities District Sewer Division



PO Box 470 / 541 Main St.
Presque Isle, Maine 04769
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September 30, 2019

To Our Valued Sewer Customers in Presque Isle,

Presque Isle Utilities District – Sewer Division Legal Notice of Proposed Rate Change

The Presque Isle Utilities District gives notice to the public that on **October 15, 2019, 3:00 p.m. at the Turner Memorial Library, 39 Second Street, Presque Isle**, a public hearing will be held to discuss and hear comments on a proposed sewer rate increase. The proposed increase will generate an additional \$338,815.00 annually.

The main reasons for the rate increase are to: 1. cover current and future operational and maintenance costs 2. fully fund a depreciation account 3. cover an increase in new and anticipated debt service payments. The new debt incurred this year marks the first phase of a seven-year improvement plan under a consent agreement that the Sewer Division must comply with by order of the Maine Department of Environmental Protection (DEP). Initially, the district will focus on collection system improvements, and in years three to seven of the agreement, the District will be required to finance capacity improvements to its wastewater treatment plant. The District is diligently seeking both grant funding and loans for all upcoming projects.

The DEP has also ordered that the District change the way it handles sludge disposal which will require a new dewatering system currently being designed. Maine DEP is providing some emergency funding as a grant, but about 20% will need to be repaid. The new dewatering cost will approach \$2,000,000.

The proposed rate increase would raise the Flat Rate Charge (administrative costs) from \$8.31 to \$17.17 per quarter, the Service Rate Charge (operations and maintenance) would increase from \$4.40 to \$5.48 per 100 cubic feet of usage and the Capital Rate Charge (interest and principal payments on loans) would increase from \$24.77 to \$26.13 for a 5/8" metered residential account. This is an overall rate increase of 24.60% and is expected to become effective on December 1, 2019.

Our average customer will see an increase of about \$23.00 on each quarterly bill, or about \$8.00 per month or \$92.00 annually. Sewer rates were last changed in 2015.

A copy of material supporting the proposed rate changes will be available at the Presque Isle Utilities District for inspection on and after **September 20, 2019**. If you have any questions or need additional information, you may call Frank S. Kearney, Sr., Presque Isle Utilities District Superintendent, at (207) 762-5061.

Presque Isle Utilities District
Board of Trustees

Sincerely,

A handwritten signature in black ink that reads "Frank S. Kearney Sr." The signature is fluid and cursive, with "Frank S." on the top line and "Kearney Sr." on the bottom line.

Frank S Kearney Sr.
Superintendent
Presque Isle Utilities District